GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2606
ANSWERED ON:14.03.2016
New Policy for SEZs
Nagar Shri Rodmal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has adopted a new policy for Special Economic Zones (SEZs);

(b) if so, the details thereof along with its salient features;

(c) whether this policy has encouraged the small SEZs in all the States/UTs of the country; and

(d) if so, the details thereof along with the extent to which it is likely to be beneficial?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) and (b): The Special Economic Zones (SEZs) policy was launched in April, 2000. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The SEZs Rules, 2006 came into effect on 10th February, 2006. The salient features of the SEZ scheme are:-
(i) A designated duty free enclave to be treated as foreign territory only for trade operations and duties and tariffs;
(ii) No licence required for import;
(iii) Manufacturing or service activities allowed;
(iv) SEZ units to be positive net foreign exchange earner within three years;
(v) Domestic sales subject to full customs duty and import policy in force;
(vi) Full freedom for subcontracting;
(vii) No routine examination by customs authorities of export/import cargo.

(c) and (d): In order to address the problem of aggregating large tracts of uncultivable land for setting up SEZs, the minimum land area requirements for setting up of SEZ in various categories has been reduced by amending the SEZs Rules, 2006 vide notification G.S.R. 540(E) dated 12th August, 2013 as indicated below:

Type Area Area for Special States/UTs*
Multi- product 500 hectares 100 hectares
One or more services 50 hectares 50 hectares
Sector specific 50 hectares 25 hectares
Handicrafts 10 hectares 10 hectares
Information Technology(IT) /Information Technology Enabled Services(ITES) minimum built up area requirement:
1. category 'A' cities - one lakh square metres
2. category 'B' cities - 50,000 square metres
3. other cities/locations - 25,000 square meters minimum built up area requirement:
1. category 'A' cities - one lakh square metres
2. category 'B' cities - 50,000 square metres
3. other cities/locations - 25,000 square meters
Bio-technology and Non-conventional energy (including solar energy equipments or cell) 10 hectares and minimum built up area as per SEZs Rules 10 hectares and minimum built up area as per SEZs Rules
Gems and Jewellery 10 hectares and minimum built up area as per SEZs Rules 10 hectares and minimum built up area as per SEZs Rules
Electronics hardware and software (including ITES) 10 hectares and minimum built up area as per SEZs Rules 10 hectares and minimum built up area as per SEZs Rules
Agro based food processing SEZs 10 hectares and minimum built up area as per SEZs Rules 10 hectares and minimum built up area as per SEZs Rules
Free Trade and Warehousing Zone 40 hectares and minimum built up area as per SEZs Rules 40 hectares and minimum built up area as per SEZs Rules
*Special States/UTs are Union Territories and the States of Assam, Meghalaya, Nagaland, Arunachal Pradesh, Mizoram, Manipur, Tripura, Himachal Pradesh, Uttarakhand, Sikkim, Jammu & Kashmir and Goa.

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